# How Medicare Works with Employer-Based Health Insurance: A Guide for Employers, Professionals and Consumers

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**AgeOptions on behalf of the Make Medicare Work Coalition**

**Introduction**

Medicare is the federal government health insurance program for people age 65 and older and people with disabilities. As the baby boomers age and more Americans become eligible for Medicare, there is a great need for information about how employer-based coverage coordinates with the Medicare program. It can be challenging for people to figure out how their new Medicare benefits work with their existing health benefits, and often employers do not have all the answers.

The economic downturn has resulted in older adults working longer or retiring earlier than they had planned. One source of confusion is that the full Social Security retirement age is now 66, but people may choose to begin their benefits as early as age 62 or as late as age 70. However, the age they become eligible for Medicare remains fixed at 65. Many people do not realize they have to start thinking about Medicare before they retire.

It is important for people to understand their rights and know when they need to enroll in Medicare. Many people do not know when they should sign up for Medicare benefits, do not get accurate advice or do not enroll at the right time. As a result, they are faced with financial consequences or significant gaps in health insurance coverage.

The Medicare Rights Center and AgeOptions (on behalf of the Make Medicare Work Coalition) have put together this toolkit, with support from The Retirement Research Foundation, to help answer questions that consumers, employers and other professionals may have about transitioning to Medicare.

This toolkit is intended to help people make informed decisions when they become eligible for Medicare. It can also help current Medicare beneficiaries who have questions about how Medicare works with their employer coverage. Employer-based health insurance such as current employer coverage, retiree or union coverage, and COBRA all work with Medicare in different ways.

The toolkit contains a variety of materials that explain how Medicare coordinates with other types of insurance coverage, but these materials do not address every possible situation. For example, the information does not apply to people who are eligible for Medicare because of kidney failure. In addition, the rules for people with disabilities who have Medicare and return to work are not fully examined.

# Materials in this Toolkit
(Click on the links below to view each document)

- **Medicare and Employer Benefits Training – The Basics**
  These training slides are for professionals and people with Medicare who want to know how their current or former employer coverage will coordinate with Medicare. They focus on basic principles for correctly enrolling in Medicare Part B (outpatient insurance) based on the person's other coverage.

- **Medicare and Employer Benefits Professional Training**
  These training slides are for professionals who have experience working with Medicare beneficiaries. They go into detail about Medicare coordination with current employer, retiree and COBRA insurance, and the differences between coverage from large and small group health plans. The training features case studies and specific examples. It also highlights the do's and don'ts of Part B enrollment and explains the consequences of late enrollment.

- **Frequently Asked Questions**
  This packet contains a series of frequently asked questions and their answers. The questions vary from general questions about Medicare to specific questions about different types of coverage and how they work for someone with Medicare. The questions were informed by AgeOptions and Medicare Rights' work with consumers.
    - General Q&A
    - Current Employer Insurance Q&A
    - Retiree Insurance Q&A
    - COBRA Q&A

- **Individual Scenarios**
  Four common Part B coordination situations are outlined in these scenarios. Each situation is framed as a question from a consumer and the response gives a step-by-step explanation. These scenarios are meant to give people in different situations a way to see how Medicare coordination of benefits rules may apply to them.
    - Scenario: Current Employer Insurance
    - Scenario: Current Employer Insurance for People with Disabilities
    - Scenario: Retiree Insurance
    - Scenario: COBRA

- **Part B Handouts**
    - [Part B Enrollment Periods](#) | Outlines the different times when someone can enroll in Part B
    - [Part B Special Enrollment Period](#) | For people who continue to work and decline Part B
    - [What to Consider Before Declining Part B](#)
    - [Equitable Relief](#) | A way for people to get Medicare if they did not enroll at the right time because of misinformation

- **[Glossary of Terms](#)**
  A list of Medicare terms and their definitions

## How to Use This Guide as a Teaching Resource

This toolkit can be used to provide trainings to consumers, employer benefits staff and other professionals. The scenarios and handouts may also be used by employers and professionals when counseling consumers.

In addition to using these materials, anyone making a decision about when to enroll in Part B should contact the Social Security Administration at (800-772-1213). It is important to keep notes about the date, time and representative with whom you spoke as well as what was discussed. This will be helpful if there are questions about benefits eligibility in the future.

## Additional Resources

Centers for Medicare & Medicaid Services: Medicare Guide to Who Pays First
http://www.medicare.gov/Publications/Pubs/pdf/02179.pdf

Centers for Medicare & Medicaid Services: Medicare and You Handbook 2012
http://www.medicare.gov/publications/pubs/pdf/10050.pdf

Information about employer insurance and Medicare on Medicare Interactive:
http://www.medicareinteractive.org/page2.php?topic=counselor&page=section&toc_id=40#top